

B C TRANSPORTATION, Inc.

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My name is Nathan S. Connizzo. I am currently the Director of Safety for B C Transportation, Inc., an intermodal motor carrier with terminal locations in Newark, NJ, Baltimore, MD, Buffalo, NY, and Cleveland, OH. I have been a safety professional for more than 25 years, with the most recent 15 years spent specifically in motor carrier transportation safety and compliance. Since becoming involved in intermodal transportation, I have been amazed with the lack of safety concern and compliance of the part of the shipping lines with respect to the vehicles that are supplied to the intermodal carrier. Once the vehicles are supplied to the motor carrier, the responsibility of vehicle safety violations and vehicle roadability rests solely on the motor carrier, with any violations becoming a permanent part of the carrier's D.O.T. fitness profile. Continual compliance with D.O.T. safety regulations is the standard that we have set for our company. Therefore, it is very disheartening to spend thousands of dollars reviewing a truck's mechanical condition and fitness only to be cited at a roadside inspection for a defect on the ocean container or chassis supplied by the steamship line. That defect becomes a part of our company's safety profile, even though we had possession of that

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. B C TRANSPORTATION, Inc.

equipment for one short trip, and may never have possession of that equipment again. But there are more serious consequences that result from the lack of maintenance on equipment owned and supplied by the steamship lines.

In 1989, singer Gloria Estefan was severely injured when her tour bus was involved in a serious motor vehicle collision involving an ocean container and chassis. A subsequent investigation into the cause of that collision revealed that the tractor trailer combination, including the supplied container and chassis, had defective brakes. Because of Ms. Estefan's celebrity status, this collision received nationwide notoriety. As a result of the subsequent settlements relating to this collision, the motor carrier was forced out of business, while the steamship line that supplied the container and chassis is still in business today.

Literally hundreds of similar collisions occur daily in the United States involving supplied containers and chassis, however, few receive the attention or press given to Ms. Estefan's collision. Thousands of dollars in property damage and numerous personal injuries occur daily and the motor carriers must assume the financial responsibilities, while the shipping lines that provide defective containers and chassis are allowed to walk away as they point to a "Hold Harmless" portion of their interchange agreement.

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When a motor carrier does business with a steamship line to include the use of the steamship line's equipment, the motor carrier must enter an "Interchange Agreement" with that specific line. This agreement sets the responsibility for the interchanged equipment upon the motor carrier and relieves the shipping line of responsibility and culpability for any regulatory violations found on the equipment while it is in the possession of the motor carrier. To support their relief from responsibility, the shipping lines conduct inspections of the vehicles during inbound and outbound interchange to the motor carrier. These cursory inspections serve little, if any, purpose towards the discovery of safety violations. These inspections serve the shipping lines as a means to further invoice the motor carrier for vehicle repairs that may or may not be completed when the equipment is returned to the shipping line. I have personally seen equipment leave the property of the shipping line, after having been through a complete inspection, and discovered the chassis and container to have defective brakes, missing lights, bald tires, cracked frame crossmembers, expired registrations, expired federal inspection certificates, and various other violations of federal vehicle safety regulations. Yet, when a motor carrier dares to challenge the interchange inspection, they are, at the very least, subject to extensive delays, or at the worse, subject to having their interchange agreement suspended. All of which places the motor carrier under the pressure of meeting their customer's delivery deadline. Knowing this, the shipping lines use this duress to

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compel the motor carrier to accept a vehicle which does not satisfy the basic requirements of the Federal Motor Carrier Safety Regulations.

The safety issues of inland transportation are of little concern to the steamship lines. They feel that because of their protection detailed in the interchange agreements, they are immune to safety enforcement by the Department of Transportation. When the shipping lines select a motor carrier for inland transportation, the selected motor carrier is never asked to produce their authority or safety fitness rating. They are only asked to produce a certificate of insurance detailing the protection offered the shipping line should a piece of supplied equipment be damaged. After that fact, the motor carrier is chosen solely based on the rate charged. In other words, the lowest bidder is the carrier of choice. Should this be the end of their responsibility? We think not. During the calendar year 1995, the Port Authority of New York & New Jersey counted over 1.3 million interchanged pieces of equipment. That is more than 5200 per working day. These pieces of equipment are interchanged with no enforced standards as to their roadworthiness. The shipping lines are not accountable to the Department of Transportation. The maintenance facilities and programs are not audited as are those of certificated motor carriers.

In the Ports of Long Beach / Los Angeles, California, where the number of interchanges exceeds 1.9 million interchanged pieces of

B C TRANSPORTATION, Inc.

equipment per year or more than 7600 per working day, the same problems exist. Mr. Michael Johnson of the Port Intermodal Operators Association of Southern California is quoted in the Journal of Commerce as saying, "The only factor steamship lines take into consideration is who has the lowest price and if they have an interchange agreement. Steamship lines seem to have little interest in the safety ratings and compliance issues that a trucking company should have."

Clearly, the Department of Transportation is concerned with the factors of motor carrier safety. Each year, more money is budgeted to provide roadside inspections and scales for weighing equipment. And each year motor carriers pay more fines, repair more steamship line equipment at their own expense and place in jeopardy their motor carrier safety profile. What we must now ask is what will be the Department's priority as these problems continue and grow. Will it be collecting fines from motor carriers or will it be insuring highway safety by holding the owners of interchanged equipment equally accountable for violations of safety regulations. By supplying poorly maintained and poorly inspected equipment to motor carriers, shipping lines are aiding and abetting violations of the Federal Motor Carrier Safety Regulations. Shipping lines must not be allowed to hide behind interchange agreements. Shipping lines must not be allowed to shirk

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their responsibilities by passing those responsibilities to the motor carriers under threat of a suspended interchange agreement.

Our plea to you is twofold. First, the interchange agreements must be regulated by legislation to insure a safe, smooth, uninterrupted flow of interstate and international commerce. And second, the Department of Transportation must be given the legislative authority to inspect, to audit and to insure regulatory compliance by the shipping lines that supply equipment to motor carriers.

I would like to thank you for the opportunity to express the concerns that we share with other motor carriers and the responsibilities that we face in the performance of our daily functions as an intermodal trucking company. Our objective is not to hide from these responsibilities, but rather to bring to light some of the inequities that exist with our intermodal partners, and hopefully legislate a fair interchange agreement which places responsibility where it truly belongs. We feel that government intervention is necessary because, it is clear that left to its own devices, the intermodal industry has not been able to construct interchange agreements that comply with the spirit of the law, let alone the letter of the law.

Very truly yours,
B C TRANSPORTATION, INC.

Nathan S. Connizzo
Director of Safety